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Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ISO-00 COME-00 TRSE-00 AGR-05 L-03

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FM AMEMBASSY ADDIS ABABA
TO USDOC WASHDC
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E.O. 11652: N/A
TAGS: BDIS BGEN ET
SUBJECT: ETHIOPIAN FLEES COUNTRY WITH NEGOTIABLE BILLS OF LADING

1. THE GENERAL MANAGER OF GOVERNMENT-OWNED ADDIS ABABA BAND HAS ADVISED EMBASSY OF THE ILLEGAL FLIGHT FROM ETHIOPIA OF A LEADING ETHIOPIAN NATIONAL COFFEE EXPORTER, SOLOMON MAHTEME SELASSIE. WHEN SELASSIE FLED, HE TOOK WITH HIM THREE NEGOTIABLE BILLS OF LADING (BLANK ENDORSED, I.E., BEARER HAS LEGAL RIGHT TO CLAIM POSSESSION OF GOODS FROM SHIPPER) FOR SHIPMENTS OF COFFEE TO THE UNITED STATES. ADDIS ABABA BANK AND ETHIOPIAN GOVERNMENT CONSIDER BILLS OF LADING STOLEN AND REQUEST THAT THEY NOT BE HONORED, AS ETHIOPIAN LAW REQUIRES THAT ANY FOREIGN CURRENCY EARNED FROM ETHIOPIAN EXPORTS MUST BE REPATRIATED THROUGH A LICENSED BANK IN ETHIOPIA, A PROCEDURE THEY PRESUME SOLOMON WILL NOT FOLLOW.

2. SELASSIE SHIPPED 600 TONS OF "DJIMMA" COFFEE TO TWO IMPORTERS IN THE US, LONARY INC., AND VAN EKRIS AND STOETT INC. THE COFFEE, REPORTEDLY VALUED AT NEARLY US$1 MILLION, WAS SHIPPED IN THREE LOTS:

A. 75 METRIC TONSSOLD TO VAN EKRIS AND STOETT ON CONTRACT NUMBER 6150. BILL OF LADING NUMBER ONE NEW YORK DATED AUGUST 20, LETTER OF CREDIT NUMBER 7152639 OPENED BY MARINE MIDLAND BANK, NEW YORK. SHIPPED ON "SAM HOUSTON".
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B. 450 METRIC TONS SOLD TO VAN EKRIS AND STOETT ON CONTRACT

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NUMBER 6151. BILL OF LADING NUMBER FIVE SAN FRANCISCO DATED AUGUST 25, LETTER OF CREDIT NUMBER 31695 OPENED BY BANK OF AMERICA, NEW YORK. SHIPPED ON "NEDLLOYD KINGSTON".
C. 75 METRIC TONS SOLD TO LONARY INC. ON CONTRACT NUMBERS 78645 AND 78641. BILL OF LADING NUMBER TWO NEW ORLEANS DATED AUGUST 20, LETTER OF CREDIT NUMBERS CCD 948436N AND CCD 948437N OPENED BY FIRST NATIONAL CITY BANK, NEW YORK. SHIPPED ON "SAM HOUSTON".

3. BANK AND EPMG HAVE CONTACTED ALL CONCERNED PARTIES TO THE CASE. WATERMAN LINES (SS "SAM HOUSTON") HAS ISSUED DUPLICATE BILLS OF LADING AFTER RECEIVING ADDIS ABABA BANK INDEMNITY DOUCMENT. NEDLLOYD LINES (SS "NEDLLOYD KINGSTON") HAS NOT RPT NOT ISSUED DUPLICATES AS IT REQUIRES A COUNTERSIGNATURE BY THE ADDIS ABABA BANK'S NEW YORK CORRESPONDENT ON THE INDEMNITY DOUCMENT. CONSEQUENTLY, THIS SHIPMENT IS GREATER RISK. ACCORDING TO LOCAL SOURCES IN THE COFFEE TRADE, THIS INCIDENT IS ALREADY WELL KNOWN IN NEW YORK COFFEE TRADE CIRCLES.

4. WE ARE NOT AT ALL SURE OF OUR RESPONSIBILITIES IN A CASE OF THIS KIND, BUT IN VIEW GOOD RELATIONS CURRENTLY EXISTING BETWEEN US AND EPMG, EMBASSY REQUESTS THAT COMMERCE EXAMINE PROBLEM CAREFULLY AND, IF APPROPRIATE, TAKE ALL POSSIBLE STEPS TO INFORM US INSTITUTIONS, INCLUDING COFFEE BUYERS' ASSOCIATIONS, PORT OFFICIALS AND CHAMBERS OF

COMMERCE. EMBASSY RECOGNIZES COMPLEX LEGAL CONSIDERATIONS ASSOCIATED WITH THIS SITUATION. NEVERTHELESS, EMBASSY RECOMMENDS THAT APPROPRIATE EFFORTS BE MADE TO ASSIST THE ADDIS ABABA BANK IN PROTECTING ITS INTERESTS.
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Disposition Date: 28 MAY 2004
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